



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

DIVISION OF OIL AND GAS

550 West 7th Avenue, Suite 1100
Anchorage, AK 99501-3560
Main: 907-269-8800
Fax: 907-269-8939

March 20, 2023

PUID: LOCI-22-005-PM021623A

Julieanna Potter
Senior Environmental Specialist
Hilcorp Alaska, LLC
3800 Centerpoint Drive #1400
Anchorage, Alaska 99503

RE: LOCI 22-005, Hilcorp Alaska, LLC, Beluga River Unit, K Pad, Two Grass Roots Wells and Associated Infrastructure, Lease Plan of Operations Amendment Decision

Dear Ms. Potter:

The Alaska Department of Natural Resources, Division of Oil and Gas (Division), in accordance with Alaska Statute 38.05 and Alaska Oil and Gas Leasing Regulations (11 AAC 83) grants authorization to conduct activities on state lands as proposed in the Lease Plan of Operations (Plan) amendment request dated February 16, 2023, for the above referenced project.

Scope:

Hilcorp Alaska, LLC (HAK) is requesting authorization to drill two grass roots wells on K Pad in the Beluga River Unit (BRU) that will produce from a State of Alaska Oil and Gas subsurface lease. The project will include installation of associated tie-in infrastructure including gas flowlines, electrical instrumentation, well cellars, and conductors. All activities will occur on the existing K Pad and will tie into existing gas production infrastructure on K pad.

Plan activities include:

- Installation of facility piping, electrical and instrumentation lines, and a separator to tie into existing K Pad gas production infrastructure.
- Drill two new grass roots wells.
- Gas production from two new wells.

Location information:

BRU

K Pad

Meridian: Seward Township: 013N Range: 010W Sections: 24 and 13

Latitude, Longitude: 61.20395 N, -151.0033 W

ADL: 21128

K Pad is located on the west side of Cook Inlet, approximately two miles west of the mouth of the Beluga River.

Agency review:

The Division provided a review and comment opportunity for the activities considered for authorization under this decision. The following government entities were notified on February 17, 2023, for comment on the Plan: DNR: Division of Mining, Land and Water (DMLW), Department of Environmental Conservation (DEC), Alaska Department of Fish and Game (ADF&G), U.S. Fish and Wildlife Service (USFWS), U.S. Bureau of Land Management (BLM), and the Kenai Peninsula Borough (KPB). No comments were received.

Conditions/Stipulations:

A certified As-Built survey of the activity shall be provided within one year of placement of the improvement. This As-Built must contain a hard copy, as well as a digital GIS file containing a Shapefile or ESRI Feature Class.

Please attach this amendment approval with the original decision. This lease operations amendment approval is issued in accordance with Alaska Statute 38.05 and 11 Alaska Administrative Code (AAC) 83. The Division reviewed this amendment under the lease regulation for the Plan, 11 AAC 83.158.

This approval signifies only that the State of Alaska has no objection to the operations outlined in the Plan amendment application. It does not constitute certification of any property right or land status claimed by the applicant, nor does it relieve the applicant of responsibility to obtain approvals or permits from other persons or governmental agencies that may also be required. All stipulations contained in the original lease and subsequent Plan approvals remain in full force and effect.

If activities have not commenced, this approval expires on March 20, 2026. Failure to comply with the terms and conditions outlined in the lease, the attached stipulations, and this authorization may result in revocation of this lease operations amendment approval.

Any questions or concerns about this amendment may be directed to Natural Resource Specialist Rebecca Marks at 907-269-8734 or rebecca.marks@alaska.gov.

Sincerely,

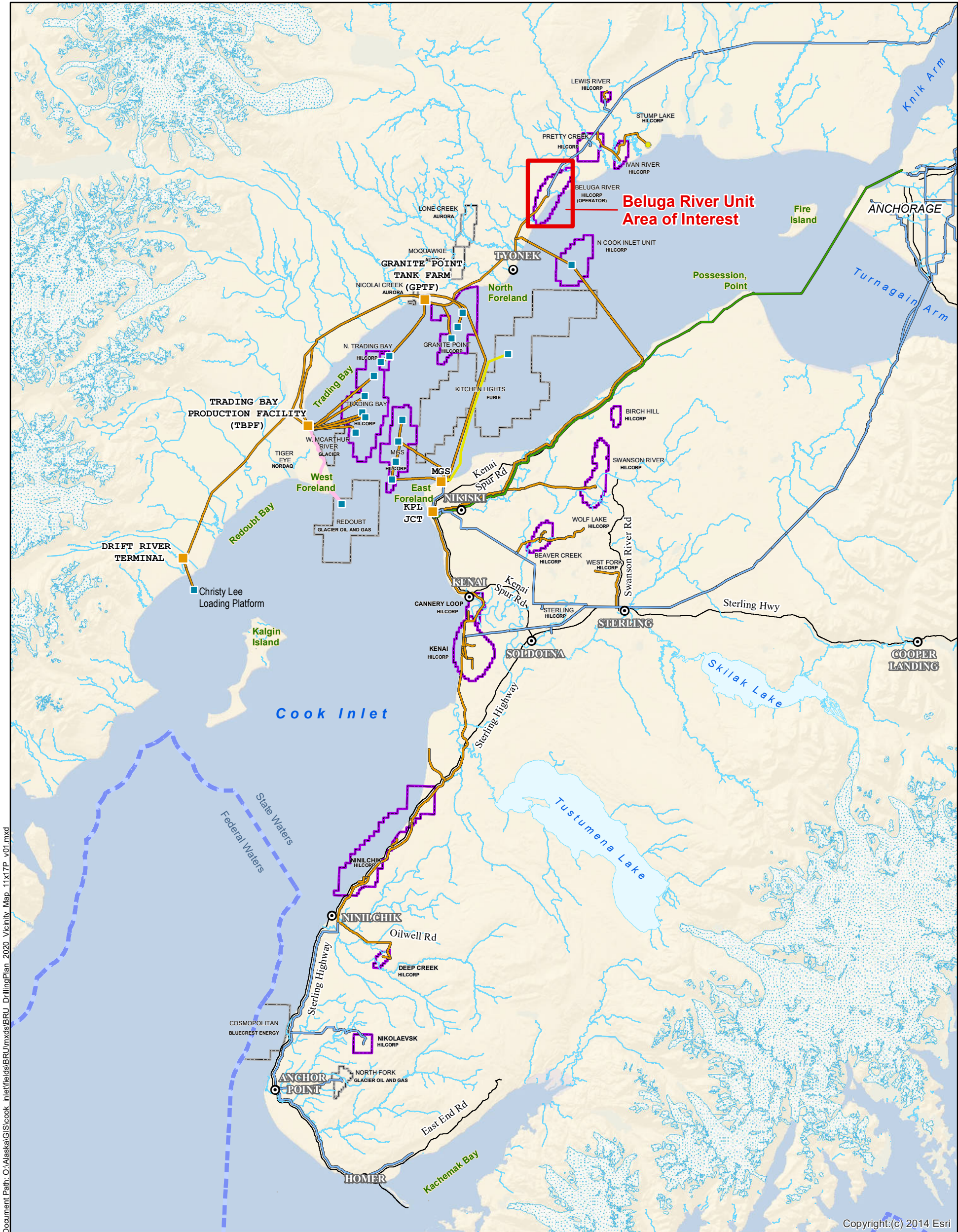
DocuSigned by:
Ashley Ethridge
76A237A029C547D...

Ashley Ethridge
Natural Resource Specialist

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b). This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Attachments: Figures 1-3
2018 Cook Inlet Mitigation Measures

ecc: DOG: Graham Smith, Rebecca Marks, James Hyun, Alex Zinck, Molly Fenton, Hayley Beitel, SPCO Records, and DOG Units
DMLW: Clifford Larson, Henry Brooks, and SAIL
ADF&G: Ronald Benkert
ADEC: DEC Agency Reviews and DEC Water Oil and Gas
KPB: Marcus Mueller
Other: USFWS, BLM



Document Path: O:\Alaska\GIS\cook_inlet\fields\BRU\mxd\BRU DrillingPlan 2020 Vicinity Map 11x17P v01.mxd

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Legend

- Onshore Facilities
- Offshore Platforms
- State/Federal Boundary (3 Mile Limit)
- Oil and Gas Units Operated by HAK
- Oil and Gas Units - Other
- Major Roads

- PIPELINE OWNERSHIP
- Hilcorp/Harvest
 - Glacier Oil and Gas
 - ENSTAR
 - Furie
 - Tesoro

Alaska State Plane Zone 4 NAD 1983 (feet)

0 10 20 Kilometers

0 10 20 Miles

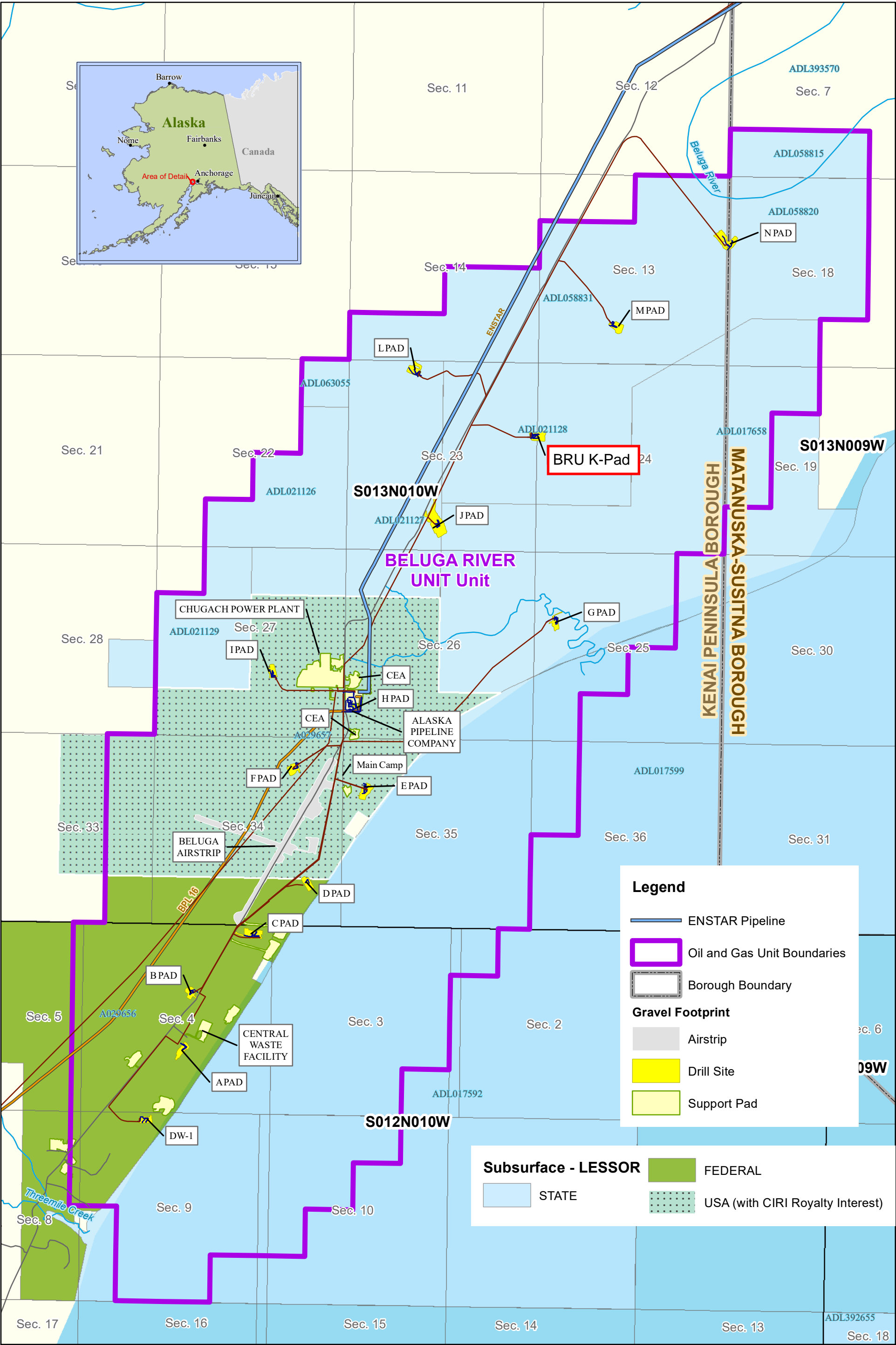


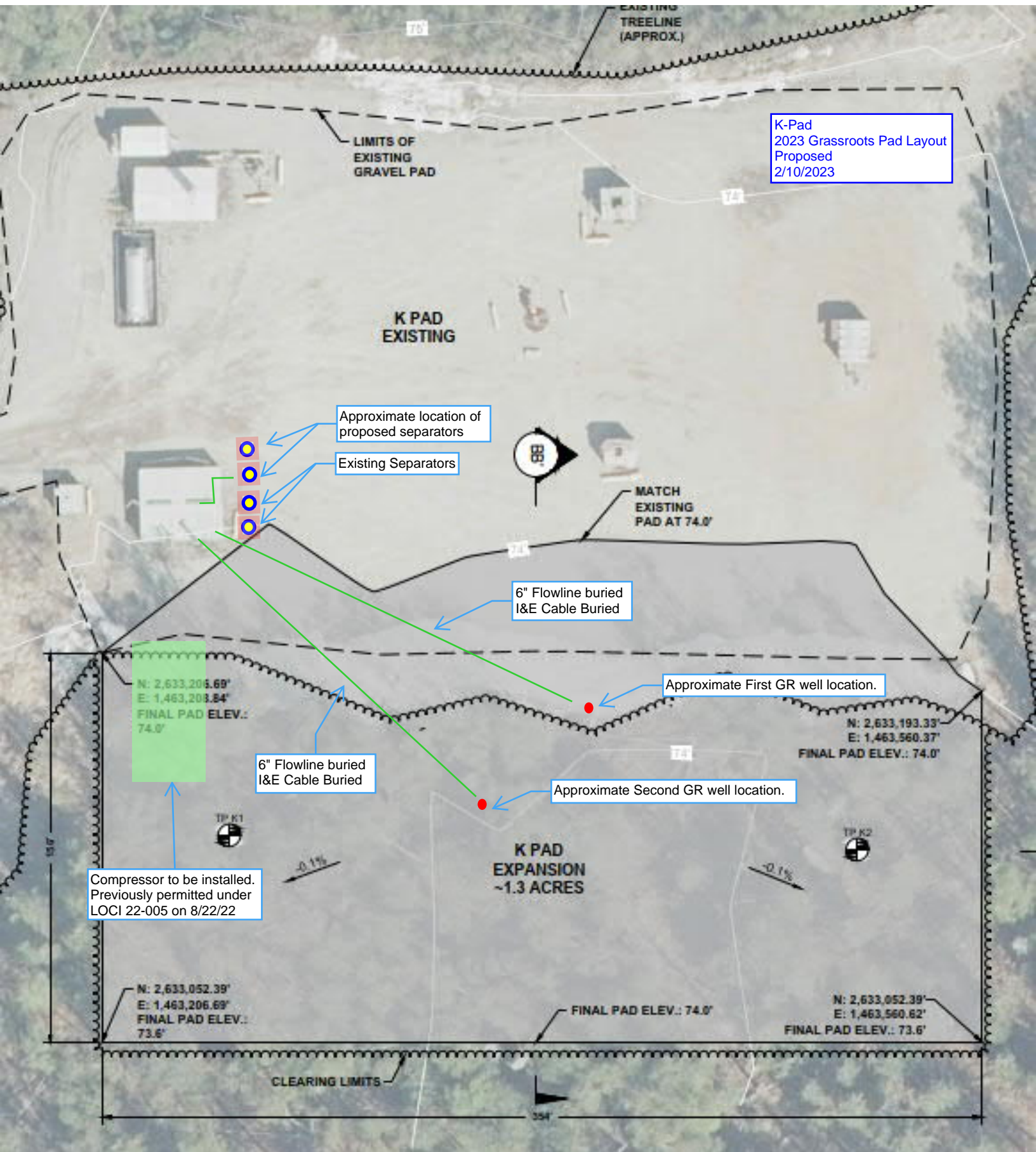
Date Prepared: 1/3/2020	Company Name: Hilcorp Alaska, LLC.	Drawn By: HAK - MRA
LOCATION AND VICINITY		
BELUGA RIVER UNIT, COOK INLET, ALASKA		
Scale: @ 11x17 map size 1 in = 10 miles	Figure No: A-1	



Hilcorp Alaska, LLC

3800 Centerpoint Drive, Suite 1400
Anchorage, AK 99503





Certificate Of Completion

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Rebecca Marks

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Company Name: State of Alaska

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Payment Events**Status****Timestamps****Electronic Record and Signature Disclosure**

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

Please read this Electronic Records and Signature Disclosure (ERSD). It concerns your rights regarding electronically undertaking, and the conditions under which you and the State of Alaska agree to electronically undertake, the transaction to which it relates (the “TRANSACTION”).

Consent to Electronically Undertake the TRANSACTION

You can electronically undertake the TRANSACTION only if you confirm that you meet the following requirements by selecting the box next to “I agree to use electronic records and signature” (the “AGREE BOX”):

1. you can fully access and have read this ERSD;
2. you can fully access all of the information in the other TRANSACTION records;
3. you can retain all of the TRANSACTION records in a form that you will be able to fully access for later reference;
4. you consent to undertake the TRANSACTION electronically; and
5. you are authorized to undertake the TRANSACTION. (Please note that falsely undertaking the TRANSACTION may subject you to civil liabilities and penalties and/or to criminal penalties.)

If you cannot or are not willing to confirm each of these five things, do not select the AGREE BOX.

Withdrawing Consent

If you select the AGREE BOX, you can withdraw your consent to electronically undertake the TRANSACTION at any time before you complete the TRANSACTION: simply do not finalize it. The only consequence of withdrawing your consent is that you will not finalize the TRANSACTION.

If you select the AGREE BOX, your consent will apply only to this TRANSACTION. You must separately consent to electronically undertake any other transaction with the State of Alaska.

Paper Option for Undertaking the TRANSACTION

You may undertake the TRANSACTION with the State of Alaska using paper records. (State of Alaska employees who want to undertake the TRANSACTION in paper should contact the agency responsible for the TRANSACTION.) Print the paper records on the website of the State of Alaska agency responsible for the TRANSACTION, or request them from the agency. The State of Alaska homepage is at <http://alaska.gov/>.

Copies of TRANSACTION Records

After completing the TRANSACTION but before closing your web browser, you should download the TRANSACTION records. Or you can download the records within 30 days after

completing the TRANSACTION using the link in the DocuSign email sent to the email address you used to complete the TRANSACTION. The State of Alaska will not provide a paper copy of the TRANSACTION records as part of the TRANSACTION. Under the Alaska Public Records Act (APRA), AS 40.25.100–.295, you can request a copy from the agency responsible for the TRANSACTION, but if too much time has passed, the agency may no longer have the records when you make your request. If required under the APRA, the agency will charge a fee.

Required Hardware and Software

For the minimum system requirements to electronically undertake the TRANSACTION, including accessing and thereby retaining the TRANSACTION records, visit <https://support.docusign.com/guides/signer-guide-signing-system-requirements>. These requirements may change. In addition, you need access to an email account.

How to Contact the State of Alaska

To ask a question on this ERSD or the DocuSign document generated after you complete the TRANSACTION or on using DocuSign to electronically undertake the TRANSACTION, contact the Alaska Department of Administration at either of the following addresses:

State of Alaska
Department of Administration
550 West 7th Avenue
Suite 1970
Anchorage, AK 99501
Reference: DocuSign

doa.commissioner@alaska.gov
Subject: DocuSign

To ask any other question on the TRANSACTION records or to update the information for contacting you electronically, contact the State of Alaska agency responsible for the TRANSACTION using the contact information in the TRANSACTION records or, if those records contain no contact information, using the contact information on the agency's website. Again, the State of Alaska homepage is at <http://alaska.gov/>.